

RESOURCE SPOTLIGHT

An Introduction to Business Resources You Should Know

After 38 Years of Starting Businesses, Serial Entrepreneur Now in the Business of Sharing Ideas

Lee Thomas Teaches New Business Owners the Lessons of a Lifetime in Business

By Patrick Boulay
Publisher

When Lee Thomas came to Denver in 1973 with a newly minted DDS degree, he thought he was about to start a career as a dentist. Instead, much to his surprise, he became a serial entrepreneur.

He opened his dental office and worked hard to make it a productive one. Then he opened another, and another, until he ended up with 16 dental offices. Simultaneously, he acquired day care centers, which grew to nearly two dozen centers in Denver and Grand Junction. Along the way there was an equipment rental business and a plumbing and heating business, landscape business, and automobile dealership.

During those years, Thomas says he learned a lot of things, building his mini-empire. Success and failure are both great teachers and he studied hard with both of them. All in all there were fourteen businesses, acquired, managed and sold.

His latest venture, however, is perhaps the one he is most passionate about. "I'm on a mission to help people who are 'going into business.' This is my way of giving back to the business community from which I and my family have been so richly blessed," says Thomas. To be ill-prepared or get into the wrong business can be a nightmare, economically, psychologically, and emotionally, he says. "I know; I have been there."

Thomas, who has sold all of his businesses, wants to give back to the next generation of entrepreneurs. He started Integrity Business Ventures Inc. and Franchise Path to Success to provide consulting, evaluation and training services to help those planning a business or who have recently launched a business.

He puts on regular workshops where



he shares his lifetime of entrepreneurial experience, and serves as a consultant to clients at rates that he says are respectful of a startup's budget.

"I have a feeling that I have something of importance to share with people. I want to positively affect people's lives," Thomas says. "That's what I do now."

A good foundation is an absolute necessity in business as in life, says Thomas. "Most people think the heart is the most important organ in the human body. It's the skeleton, which is the foundation that holds everything together.

"A strong foundation is what will get them through the tough times in their business journey. Businesses have many important elements – social media and marketing, for example – but without the foundation, they won't reach their full potential."

Launching a business is a multi-faceted process with a multitude of details, which can easily distract a new business owner from focusing on the essential foundation principles, says Thomas. "Dr. Stephen Covey (author of *The Seven Habits of Highly Effective People*) used to talk about knowing all the important techniques, but

losing sight of the foundational elements. For example, some entrepreneurs go into retail and don't realize until much later that they have to be in the store 12 hours a day, six days a week.

"Had you looked at it more deeply when you first started, you might not have done it."

Although it seems obvious, people fall in love with ideas and often see what they want to see, like the miner with a fistful of fool's gold.

In a real world example, Thomas recalled an entrepreneur he knew who was incredibly excited about a business opportunity. "This is really great," he told Thomas. "It only costs \$16,000 to get into it and you can make a million on the upside."

Thomas laughed as he told the story. "The business was importing mail order brides from overseas, which is problematic and comes close to human trafficking." Thomas got the entrepreneur to take a deep breath and begin a sober analysis of the business plan and realize how flawed the idea was.

Learning from Mistakes

In the 1980s, Thomas had the opportunity to buy some child care centers in Grand Junction to add to the 10 or 12 he had in Denver. He crunched all the numbers and was impressed with the results. "On paper, there was no way to lose," Thomas recalled. "Well, my wife Louise wasn't keen on it. I bought them anyway."

For the next year and a half, all was well in Grand Junction. That's when the economic boom caused by oil shale development came to an end. The need for child-care centers plummeted as Grand Junction lost over 20 percent of its population.

Thomas avoided bankruptcy, but turned the properties over to the original owners. "The drive back to Denver with my wife, was the longest drive of my life." His wife had been right!

"What I learned from that and a host of other mistakes I've made is to listen to

others. I mean really listen,” Thomas said. “Learn humility early on in your business life. That will serve you well.”

Checks and Balances

Another time Thomas bought an existing business; an equipment rental company from one of his patients. One of the key selling points was the presence of a dedicated repair guy who could keep all the equipment in top running shape. It turned out that not only was the repair guy not that good at repairing, he was also pocketing a little something from every transaction... actually more than a little.

Thomas said that episode taught him the importance of checks and balances. “It was easy for this guy to steal from the company that trusted him,” he added, as there was no checks and balances in place.”

“There were no checks on him. We just didn’t have the proper accountability mechanisms in place.” You learn from your failures. They are good for you that way. Just don’t duplicate them. “

He put that failure to work in his next business, a plumbing and heating company he had grown it to 12 trucks and nearly \$2 million in annual revenue after four years. Then he hired a new, highly credentialed manager.

Because he had good accounting practices in place, they quickly found out that the new manager was also an embezzler. In two and a half months, the guy had taken \$44,000.

“Running a business is not all about success, success, success,” Thomas says. “It’s

about preparing you for the failures and then managing them. The lesson I learned from the rental problem helped me catch the plumbing business problem.”

Lessons Learned

After 38 years of running multiple businesses, Thomas says there are a lot of lessons to be learned that aren’t taught by business planners, coaches or marketing professionals. Here are a few:

Pay attention to your core values. Your core values should be in alignment with what you do. “If you only want to spend 50 percent of your time on your business and the rest with your family, then there will be a conflict. The business will take more time than you want and you won’t be happy or successful.

“Without core value alignment, you’ll get frustrated and disgusted, and lose your passion, while on the road to building that dream business.”

Maintain a strong sense of self. “There are things in business you can control and things you can’t control. You have to be able to deal with both,” Thomas says. To do that effectively takes a strong sense of purpose and a sense of self. It’s important to feel good about who you are and what you are capable of doing. “Some think that’s acting arrogant, but it’s not. It’s self assuredness, while maintaining a good sense of humility”.

Business plans. Good business plans can go bad. But bad business plans never go good, he says. “When you’re writing your business plan, anticipate it will take

twice as long to earn half as much.”

Part of that planning is deciding when to fold ‘em. “It’s not when the greatest pain arrives,” he says. “You need an exit strategy at the time when you start the business. Set up the conditions that will signal it’s time to close. You have to do it without emotion and draw a line in the sand. Otherwise it just sucks you down.”

Options. “You always have to have options. If we get into a position of being in a corner, we are consumed by fear and we cannot think clearly. Always review your options so that you’re ready. And accept that sometimes you have to choose the least offensive option; otherwise you run your life out of fear. Have good short term (trend) vision, and always stay “ahead of the curve”.

Team of Advisors. Successful business owners can’t do it alone. You need to align yourself with various business professionals, Thomas says. “I call them my professional team. You need a competent accountant, lawyer and business banker (or two), and insurance professional to start with. Whatever talents you lack, find someone who has it,” he says.

Always ask yourself questions. Ask yourself what skill and interest and talents you bring to the business? What is your passion? How well do you understand the operation? Are you ready for the time commitment? Is your spouse on board with what you’re doing?

–NBD

Spotlight Special

Lee Thomas has been a successful serial entrepreneur for more than 38 years. Readers of New Business Denver are invited to attend his May 19 workshop “Going into Business: 8 Keys to Success – Do You Know What You Don’t Know?” The workshop is **free** and details are at www.franchisepathstosuccess.com Other workshops include, “How to Fail Your Way to Success: 7 Keys to Success” and “How to Deal with Professional/Career Transitions: 8 Keys to Success.”

Lee is also offering **three hours of free business coaching** and a copy of his book, “Magical Business Solutions: Adventures of a Serial Entrepreneur and Lessons Learned,” to the first three people to call him at (303) 739-5160. He can also be reached at lee@myibv.com.